

86th Legislative Session – 2011

Committee: Joint Appropriations

Wednesday, February 16, 2011

P - Present
E - Excused
A - Absent

Roll Call

P Sutton
P Haverly
P Heineman
P Novstrup (Al)
P Peters
P Putnam
P Rampelberg
P Dennert
P Wismer
P Juhnke
P Bolin
P Romkema
P Dryden
P White
P Tidemann
P Carson
P Brown, Vice-Chair
P Wink, Chair

OTHERS PRESENT: See Original Minutes

The meeting was called to order by Chairman Dean Wink.

Department of Corrections

Tim Reisch, Secretary of the Department of Corrections appeared before the Joint Appropriations Committee to present the department's FY12 recommended budget. Also in attendance were Laurie Feiler, Scott Bollinger, Doug Weber, Jackie Hanson and Michael Winder. Documents 1, 2 & 3 were distributed.

The department's FY12 recommended budget totals \$98,614,310, a reduction of \$8,368,168 from the FY11 budget. The budget includes \$78,416,278 in General funds, an increase of \$2,053,740,

\$12,060,900 in federal funds, a decrease of \$8,954,040 and \$8,137,132 in other funds, a decrease of \$1,467,868.

Secretary Reisch said of the \$98,614,310 budget, 65.12% or \$64,213,708 is for Adult Corrections and 32.78% or \$32,338,133 for Juvenile Corrections. Secretary Reisch told the Committee 89% of the offenders in the correction system are adults. The FY12 General fund net increase of \$2,053,740 involves:

- An increase in Adult Corrections of \$5,531,842,
- A reduction in Administration of \$118,737, and
- A reduction in Juvenile Corrections of \$3,359,365.

The Adult Corrections budget includes \$7,967,096 in ARRA Stimulus replacement funds and the Juvenile Corrections budget includes \$345,641 in ARRA FMAP replacement funds.

The department, with a current FTE count of 885.0, proposes a reduction of 39.7 FTEs in FY12. Secretary Reisch said the FTE reduction was a very deliberate process after reviewing past usage and looking at where they could safely make the cuts. The department is heavily funded by General funds but feels comfortable with the cuts they have proposed.

Major Expansions and Reductions

Administration – recommended budget of \$21,906,860 and 39.5 FTEs:

- An increase of \$7,967,096 in General funds and a corresponding decrease in federal funding authority due to the replacement of ARRA funding.
- A decrease in Personal Services of 2.0 FTEs and \$126,415 in General funds. The positions involve one Transition Case Manager and one Corrections Analyst.
- A decrease in Travel of \$22,017 (\$17,717 in General funds, \$4,300 in federal funds).
- An increase in Contractual Services of \$1,269,851 (\$357,482 in General funds, \$947,415 in other funds and a decrease of \$35,046 in federal funds).
- A decrease in Supplies and Materials of \$15,000.
- A decrease in Grants and Subsidies of \$500,000.

Total Adult Corrections - recommended budget of \$45,606,851 and 636.6 FTEs:

Doug Weber, Chief Warden told the Committee Adult Corrections is proposing a 21.9 FTE reduction, bringing their count to 636.6 from its current total of 658.5. In addition, General funds will be reduced by \$2,752,341.

Mike Durfee State Prison – recommended budget of \$12,001,549 and 170.0 FTEs:

The total inmate count at Mike Durfee State Prison in Springfield as of February 15, 2011 was 1,134. The recommended budget is a reduction of \$840,484 from FY11. Other budget items include:

- A decrease in Personal Services of \$622,616 and 9.5 FTEs (a decrease of \$734,370 in General funds and an increase of \$111,754 in other funds). The FTE changes include a Corrections Analyst, a Unit Manager, a Major, a Program Assistant I, a Sr. Building

Maintenance Worker, a Senior Secretary, a Teacher, an Activities Leader, a Heating Plant Operator and a .5 (temporary) Physical Plant worker.

- A decrease in Travel of \$34,600 from General funds.
- A decrease of \$82,335 from General funds and an increase of \$2,424 in federal fund expenditure authority and \$2,852 in other fund authority in Contractual Services for central services, inmate compensation, insurance, electricity, and a Child and Adult Nutrition Services reimbursement estimate.
- A decrease of \$66,905 from General funds in Supplies & Materials for various office, clothing, security, and physical plant supplies.
- A decrease in Capital Outlay of \$33,600 from General funds for police and security equipment and shop equipment and a decrease of \$30,000 from General funds and an increase of \$30,000 in other fund expenditure authority for food service equipment.

Sioux Falls Penitentiary – recommended budget of \$17,575,712 and 277.5 FTEs.

The total inmate count as of February 15, 2011 was 1,222. Warden Weber told the Committee the Sioux Falls Penitentiary is a maximum, high-medium security prison with the Jameson Unit being a maximum facility and the old penitentiary a high-medium facility. The recommended budget reflects a decrease of \$1,163,672 from FY11. Other budget items include:

- A decrease in Personal Services of \$728,023 from General funds and 9.0 FTEs. These positions include an Exempt Secretary, a Prison Shop Foreman, two Sr. Building Maintenance Workers, three Teachers, a Unit Manager, and a Building Maintenance Specialist. In addition, an increase of \$6,481 in other fund expenditure authority to match Law Enforcement training funds allotted to DOC.
- A decrease of \$40,000 from General funds due to a reduction in Travel.
- A net decrease of \$68,427 in Contractual Services. The major increases and decreases are:
 - A decrease of \$89,958 from General funds, \$576 in federal funds and \$3,073 in other funds for central services, phone, liability insurance, inmate compensation, electricity, etc.
 - An increase of \$10,180 in federal fund expenditure authority for additional special education; and
 - An increase of \$15,000 in federal fund expenditure authority for additional Adult Nutrition reimbursement.
- A decrease in Supplies & Materials of \$296,703 from General funds for inmate clothing, physical plant supplies, heating and cooking fuels, etc.
- A decrease in Capital Outlay of \$37,000 from General funds due to a reduction in laundry and food service equipment.
- A decrease of \$427,707 from General funds and a corresponding increase of \$427,707 in federal fund expenditure authority to align the budget with the number of federal inmates in state custody.

In response to Representative Bolin's question, Warden Weber said the proposed reductions would not endanger public safety. Representative Dennert asked if eliminating the teacher position would hinder education opportunities for the inmates. Warden Weber said they will be do less but will continue to provide GED and literacy opportunities. Representative Wismer

asked if the position at Springfield was GED or vocational. Warden Weber said the position was a GED instructor and that the other programs (Governor's houses, metal work, etc.) will not change.

SD Women's Prison – recommended budget of \$3,501,547 and 50.0 FTEs.

The current inmate count at the Women's Prison was 173 excluding 89 in Unit H and 86 in Unit E. In addition, five Federal inmates are currently being housed at the prison. Other budget changes include:

- A decrease in Personal Services of \$40,000 in General funds due to restructuring the staff at the prison.
- An increase in Contractual Services of \$45,883 from General funds and a decrease of \$93,830 in federal fund expenditure authority due to a loss of federal boarders. There is also a decrease of \$789 in other fund expenditure authority for miscellaneous services.
- An increase of in Supplies & Materials of \$22,526 from General funds and a decrease of \$67,813 in federal funds for maintenance and janitorial supplies, heating and cooking fuels, and other miscellaneous supplies due to a loss of federal boarders.
- A decrease in Capital Outlay of \$18,655 from General funds for police and security equipment.

Pheasantland Industries – recommended budget of \$2,501,383 and 14.0 FTE:

Warden Weber said while there were no changes in Personal Services, a Maintenance Worker from Prison Industries will move to Pheasantland Industries on July 1, 2012. Other budget items include:

- A decrease in Contractual Services of \$6,456 in other funds for various internal service fund reductions.
- A decrease in Supplies & Materials of \$1,480,929 in other funds due to the delay in the production of vehicle license plates.

Community Service – recommended budget of \$6,582,058 and 75.1 FTEs:

Warden Weber told the Committee a large number of inmates are involved in this program, performing important work that saves the state a great deal of money. Budget changes include:

- A decrease in Personal Services of \$94,094 from General funds, \$750,000 in other funds and 0.4 FTEs. The increases and decreases are as follows:
 - A decrease of \$114,322 from General funds and 1.0 FTE at the Yankton Minimum Unit due to the reduction of a teacher and to align the budget with anticipated expenditures.
 - A decrease of \$49,383 from General funds and 1.0 FTE at the Jameson Minimum Unit due to a reduction of a Unit Case Manager;
 - An increase of \$69,611 in General funds and 1.6 FTEs (0.6 Unit Coordinator and 1.0 Building Maintenance Specialist) due to opening of the new Rapid City Minimum Unit and Parole Facility in January 2012; and
 - A decrease of \$750,000 in other fund authority due to unsupported other fund authority that is no longer necessary.
- A decrease of \$60,000 in other fund authority due to a reduction in travel.

- A net decrease in Contractual Services of \$115,082. The various increases and decreases include:
 - An increase of \$90,055 in General funds due to the opening of the new Rapid City Minimum Unit;
 - A decrease of \$22,249 in federal fund authority due to grant reduction; and
 - A decrease of \$182,888 in unused other fund expenditure authority.
- An increase of \$107,394 in General funds due to the additional supplies needed at the new Rapid City Minimum Unit.
- A decrease of \$11,000 from General fund for reductions in supplies within Community Service and Jameson C to help offset the other General fund increases and \$10,000 in unused other fund authority.

Representative Dryden asked about the cost of sending inmates to fight fires. Mr. Bollinger said the department has a working agreement with Wild Land Fire Suppression through the Department of Agriculture. The department is reimbursed by shift, \$1,000/day for a 10-man crew. Depending on how long they are there, they are reimbursed by the US Forest Service through Wild Land Fire.

Intensive Meth Treatment Program (IMT) – recommended budget of \$1,667,485 and 16 FTEs.

Laurie Feiler addressed the Intensive Meth Treatment Program (IMT), a joint effort with the Departments of Health, Human Services/Social Services and Corrections. The Meth Treatment Program is a 4 phase program with phases 1 and 2 at the Women's Prison and phases 3 and 4 are community based. Phases 3 and 4 are budgeted in the Departments of Human Services/Social Services. Nine FTEs are in the Department of Corrections, 6 FTEs in the Department of Human Services/Social Services, and 1 FTE in the Department of Health.

Ms. Feiler said a total of 191 inmates have completed the program through the end of December 2010 with 33 recidivists. A total of 353 inmates have been involved.

Representative Wink asked how the community based treatment program in the Department of Social Services compares to the Department of Corrections program. Ms. Feiler said the programs are 2 separate programs targeting different populations. The department continues to see a steady demand for meth treatment with 38% of the inmates coming into the system in FY10 having some sort of meth diagnosis. That number is down from 42% and 47% in previous years. Ms. Feiler said the community based programs are budgeted in the Department of Social Services.

In response to Representative Bolin's question, Ms. Feiler said the state is very fortunate to have this intensive program and the recidivism rates prove that. If the program did not exist, there would likely be a higher recidivism rate for those with a meth problem returning to prison. Senator Heineman asked if parts of this program would work with the entire population since the recidivism rates were so small. Ms. Feiler said the department uses evidence based practices and has seen improvements in the IMT program as well as other programs. Senator Tidemann asked if the department had a "return on investment" for the program. Ms. Feiler said some inmates stay clean and sober and others do not. The success in part can be tied to the department's intensive

drug testing for the community based portion of the program. In FY10 a total of 5,286 UA tests were done with 28 positives involving 16 individuals. When the inmate knows they are going to be tested every 3 days, it tends to keep them clean and sober. Representative White asked if the inmates in the program were residents of South Dakota. Ms. Feiler said participants are inmates that have been convicted and sentenced in South Dakota. Other states have meth treatment programs but nothing that lines up with South Dakota's program. Ms. Feiler said there is a savings to the state for every inmate that does not come back into the system, as well as a savings to other programs if that inmate can contribute to society, gain employment and provide for their family.

Representative Bolin asked why there is a treatment program for meth and not other drugs. Ms. Feiler said the Department of Human Services/Social Services provides substance abuse treatment services for the Department of Corrections. However, the Department of Corrections got into the meth treatment program because they saw a big impact on the correctional system from meth users. In FY06 48% of the women coming into the system were involved in meth in some way.

Parole Services budget – recommended budget of \$3,444,602 and 50 FTEs:

This budget involves a total reduction in General funds of \$259,730 involving:

- A decrease of \$196,682 from General funds and 3.0 FTEs (a Program Assistant and 2 Parole Agents).
- A decrease of \$50,167 from General funds for termination of the lease agreement due to the new Rapid City Minimum Unit and Parole Facility and other various operating expenses reductions.

Total Juvenile Corrections – recommended budget of \$31,100,599 and 169.2 FTEs:

This budget represents a reduction of \$4,137,856 from the FY11 budget. That reduction includes \$3,359,365 in General funds, \$718,441 in federal funds and \$60,050 in other funds and a total of 15.8 FTEs.

Juvenile Community Corrections – recommended budget of \$21,929,298 and 44.5 FTEs:

Secretary Reisch told the Committee the current count of youth in placement was 404 with 126 at Star Academy. This budget represents a reduction of \$2,793,692 and 4 FTEs from FY11. Other budget items include:

- A decrease in Personal Services of \$184,042 from General funds and 4.0 FTEs for 3 Juvenile Corrections Agents and a Secretary.
- A decrease of \$28,300 from General funds due to a reduction in travel.
- A decrease in Contractual Services of \$1,195,391 from General funds due to reductions throughout Group and Residential Placement Services to align the budget with anticipated Average Daily County and adjustments to selected services for juvenile offenders. In addition, an increase of \$70,000 in federal funds for community based treatment.
- A net increase in Grants and Subsidies of \$637,399 from General funds and a decrease of \$818,561 in federal funds due to the FMAP rate adjustment and the expiration of related stimulus funding and a reduction in other operating expenses.

Senator Peters asked for information on contracts with school districts. Secretary Reisch said the department has a contract with the Rapid City School District at Rushmore Academy similar to the contract with West Central High School. The department received a 3-year grant for \$750,000 that is applied to the 2 schools, particularly at West Farm. Secretary Reisch reminded the Committee that the youth at West Farm have completed their initial placement but do not have an acceptable home to go back to. There are currently 23 youth at West Farm that receive services, attend school through a contract with the West Central School District and many have jobs. The department is half-way through the grant period and has discussed the grant issue with the West Central School district. It is the department's goal to continue the arrangement at West Farm. Early on the dollars associated with state aid, that should follow the kids, was not following them; however, West Central is now able to count these kids and will receive state aid. Secretary Reisch will provide additional information on this issue.

Senator Heineman commented on the trends in lesser numbers of juveniles as well as adults. Secretary Reisch said the department implemented policy changes in 2003 that helped bring the numbers down. By statute youth were in custody until age 21; however, as a result of a statute change, if the youth have completed the required programs and are well behaved in after care, the department is able to discharge them. That action brought the after-care numbers down. In addition, community based services have also helped keep youth out of the prison system in some areas.

Senator Sutton commented on a study that said the number of juveniles incarcerated in South Dakota was two times the national average. Secretary Reisch said that it wasn't a true comparison because the age of incarcerated juveniles varies from state to state and the rural nature of South Dakota makes community placement difficult at times. Senator Sutton commended the department for the work they have done with juveniles and asked if the proposed reductions would hinder what has been accomplished. Secretary Reisch said no, the work will continue. The department feels it is important to keep kids in school for stability as well as receiving an education and the ability to find employment.

Youth Challenge Center – recommended budget of \$1,348,385 and 26.0 FTEs:

The Youth Challenge Center consists of two programs for boys, YCC 1 and YCC 2 with 24 beds each.

- A decrease in Personal Services of \$92,000 from General funds to align the budget with anticipated expenditures.
- A decrease in Operating Expenses of \$41,764 from General funds as part of the overall General fund reduction efforts.

Patrick Henry Brady Academy – recommended budget of \$1,383,044 and 26 FTEs:

This is also a 48 bed unit for boys.

- A decrease in Personal Services of \$43,000 from General funds to align the budget with anticipated expenditures.
- A decrease in Operating Expenses of \$27,625 from General funds as part of the overall General fund reduction efforts.

STAR Academy – recommended budget of \$4,944,256 and 44.7 FTEs:

STAR Academy contains the core services for both campuses: administration, food, education and medical services, security, laundry and physical plant maintenance.

- A decrease in Personal Services of \$631,043 from General funds and 11.8 FTEs due to the realignment of provided services and programs. The FTEs include a teacher and 11 FTEs in the Admissions unit.
- A decrease of \$42,075 from General funds due to a reduction in travel.
- A decrease in Contractual Services of \$256,740 from General funds involving:
 - A decrease of \$256,860 from General funds due to reductions in dues, workshop fees, educational contracts, medical contracts, phones, electricity, etc.
 - An increase of \$30,120 in federal funds for Child and Adult Nutrition reimbursements; and
 - A decrease of \$30,000 in unused other fund expenditure authority.
- A decrease Supplies & Materials of \$67,175 from General funds for a reduction in office, educational, and maintenance supplies and a decrease of \$30,000 for unused other fund expenditure authority.
- A decrease in Capital Outlay of \$22,500 from General funds for medical, food and building equipment.

In regard to closing the Admissions Unit at STAR Academy, Secretary Reisch said before the department went to open entry, open exit of programs, the Admissions Unit was used to prepare the inmates for placement. When looking for potential cuts, and because the number of youth has been going down; the department felt this was the right place. The one remaining FTE will make sure assessments get done and the youth get to the right program. Secretary Reisch said department staff looked at the budget and cut any funds not being used and yet feels sure they can still operate and provide the necessary services with little difficulty.

Quest/Excel – recommended budget of \$1,495,616 and 28 FTEs:

Quest/Excel is a program for girls with 24 beds in each unit. Budget items include:

- A decrease in Personal Services of \$52,000 from General funds to align the budget with anticipated expenditures.
- A decrease in Operating Expenses of \$38,191 from General funds and \$51 in other funds as part of the departments overall general fund reduction efforts.

Representative Dennert asked how the department handles the increasing food prices. Secretary Reisch said they have contracts that lock prices in; however, if the prices are too great the department will have to come in and ask the Legislature for a budget adjustment.

Senator Novstrup asked for clarification on the 3 academies. Secretary Reisch said STAR Academy is the name for the overall state run juvenile program. The Brady Academy, Youth Challenge Center and Quest/Excel are under the umbrella of STAR. The Brady Academy is a 48-bed unit for boys for first-time placement without significant psychiatric needs or other issues.

The Youth Challenge Center is a longer program for boys with more significant issues such substance abuse.

The Excel Program for girls operates much the same as the Brady Academy. The Quest Program is longer term; most of the girls have had some sexual abuse issues, victimized and been the abuser.

Representative Wismer asked about bordering federal prisoners. Secretary Reisch said there are various classifications in the prisons and each has a specific number of beds. Beds are usually available in maximum and high-medium units. On the female side there are not as many secure beds. Federal Bureau of Prisons and US Marshall decides where the prisoner goes.

Betty Oldenkamp with Lutheran Social Services spoke briefly to the Committee regarding juvenile placement. A total of 1,626 youth were served in residential programs in FY10 with 71.5% were for youth in state custody with 31.3% being in the custody of the Department of Corrections. Ms. Oldenkamp said the 10% cut to provider reimbursement will compromise the outcome and care of youth in the custody and care of the state of South Dakota. To demonstrate the impact of the 10% cut, Ms. Oldenkamp presented a breakdown of costs for the New Beginnings Center in Aberdeen. If the 10% cut happens, it will cost that center \$90,561. The new rate that comes as a result of the 10% cut would be the rate used by everyone, not just the state of South Dakota. Ms. Oldenkamp said the providers are already operating at minimum levels and do not see where they can take any more cuts and still run the program. The total impact to Lutheran Social Service's 4 residential programs would be \$528,000 and they already have a FY11 budget deficit of \$155,000.

Representative Wismer asked about the employee turnover ratio. Ms. Oldenkamp said employee turnover is very challenging but fortunately core staff has remained strong. They are able to hire a lot of students in Aberdeen because of the college setting. In addition to losing staff, new staff is required to have extensive training which also costs. Representative Carson asked if there are unfilled positions. Ms. Oldenkamp said yes, there are continuously vacancies in their programs. The center in Sioux Falls has experienced 80% turnover which has resulted in the inability to accept youth into the program.

MOTION: ADJOURN

Moved by: Haverly

Second by: Carson

Action: Prevailed by voice vote.

Barb Bjorneberg
Committee Secretary

Dean Wink, Chair